

INVESTORS' OUTLOOK (TAKAFUL FUNDS)

FOR THE MONTH OF JUNE 2016



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Equity Market Review

The KSE 100 Index rose 4.78% in June 2016 to close at 37,786.57 and increasing the Index's Calendar Year-to-Date (CYTD) return to 15.14%. The month started off with the announcement of the Budget FY2017, which was taken positively by the market participants amidst subsidies / incentives offered to the fertilizer and textile sectors. Further, in response to the MSCI's decision to upgrade Pakistan to the Emerging Market (EM) status, the KSE100 index, on June 17, 2016, reached its highest level of 38,776.94 points. However, an unexpected result of the Brexit referendum led to panic selling in equities worldwide, which had its effect on Pakistan equities as well and the investors looked to book profits. As rationality prevailed, the last few trading sessions saw the market recover as international markets also starting rising.

Average Index Volume for the month of June clocked at 120mn shares, 18.10% lower MoM (mainly owing to Ramzan). Foreigners were net buyers for the second consecutive month with an inflow of US\$74.2mn (includes one-time \$70mn Engro Fertilizer purchase), compared to US\$3.62m in May'16. Total foreign portfolio outflow in HY CY16 has come down to US\$41mn after these recent inflows. Companies and Banks were major sellers in June with a net outflow of US\$168m (including Engro Fertilizer outflow) and US\$23m, respectively. Most of the selling was absorbed by Individuals and NBFCs.

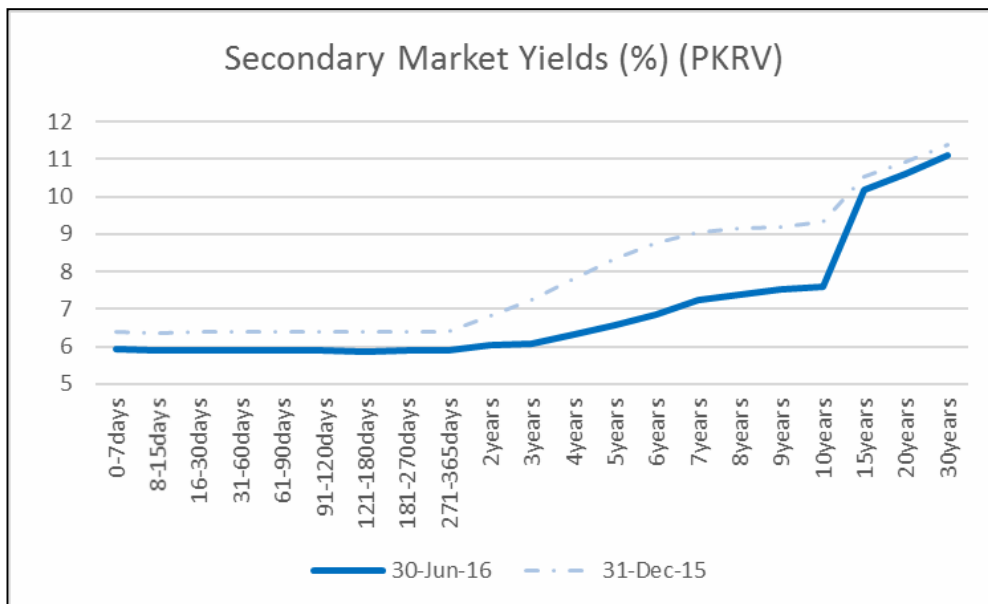
Banking sector capitalization increased 8.1% in June, in anticipation that inclusion of the larger banks in the EM Index will attract considerable foreign inflows in the sector. Cement sector rallied 6% as the negative effect of higher FED (as announced in the budget) was neutralized through an increase in cement prices by the manufacturers. Chemicals sector (mainly fertilizer) increased 5%. Oil and Gas sector rose 3% on back of recovery in oil prices globally. International oil prices reached highest levels of CY16 at around \$51 per barrel barrier before giving in to post Brexit economic scenario and currently hovering at April levels of \$48 a barrel. Pharma and Power sectors rose by 10.4% and 6.1% respectively, while Telecom sector declined by 2.84% during the month.



Money Market Review

Yields during the month remained under pressure, influenced by a reduction in auction cut-offs during the month and re-profiling by market participants who mainly looked to extend their investment maturities amidst heightened uncertainty of another rate cut and a massive PIB maturity in July.

In the auction held during the month, the SBP picked up an around Rs. 45b against a target of Rs. 100b and bids of around Rs. 228b. 3 yr cut-off yields reduced 14bps to 6.41% and those of 5 year and 10 year PIBs reduced 9bps and 16bps to 6.91% and 8.02%, respectively. Two T-bill auctions were conducted in June with yields in these auctions coming off by aggregate 9bps in the 3-month paper to 5.90% and 11bps in the 6- and 12-months paper to 5.89% and 5.91%. A total of Rs. 332b was picked up in these auctions against Rs. 200b target.



MANAGED GROWTH TAKAFUL FUND

Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in a Balanced Portfolio comprising of Shariah compliant equities, equity mutual funds, Sukuks (Government and Corporate), deposits with Islamic Banks and Windows or any other approved Shariah compliant avenues.

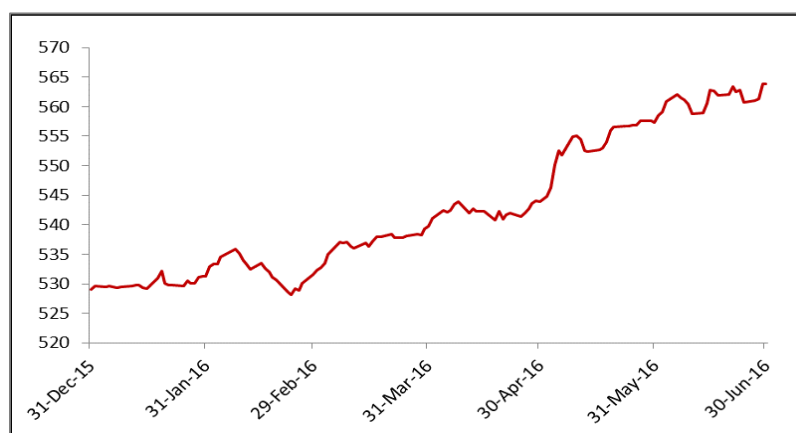
The Fund was launched on July 7, 2015.

Fund Information

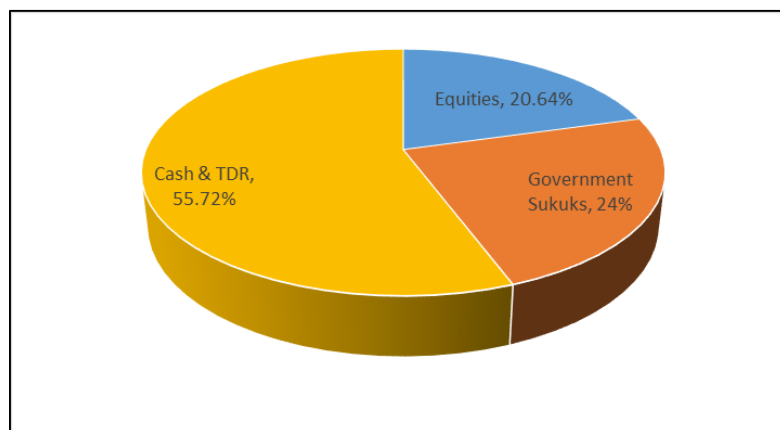
Description	Information
Fund Name	Managed Growth Takaful Fund
Fund Size	PKR 109.8 Million
Launch date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (30.06.2016)	PKR 563.81
Category	Shariah Compliant Balanced Fund
Pricing Mechanism	forward on daily basis
Management fee	1.50% p.a.
Pricing days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

Fund Returns

During the month of June 2016, Managed Growth Takaful Fund's (MGTF) Unit Price increased by PKR 6.49 (1.16%) net of fund management fee.



Assets	June 2016	May 2016
Government Sukuks	24%	0.0%
Cash & Short Term Deposits	55.72%	83.82%
Stocks	20.64%	16.18%



Investment Committee Members

Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Fund Returns

Period	Rate of Return
1 month	1.16%
3 months	4.45%
12 months	N/A
Calendar YTD	6.58%
Since Inception	12.76%

Fund Objective

To optimize aggregate long term risk adjusted return through capital appreciation, dividend and profit income by investing in an Aggressive Portfolio primarily comprising of Shariah compliant equities and equity mutual funds with any excess liquidity being invested in Sukuks (Government and Corporate) or deposits with Islamic Banks and Islamic Windows of Conventional Banks.

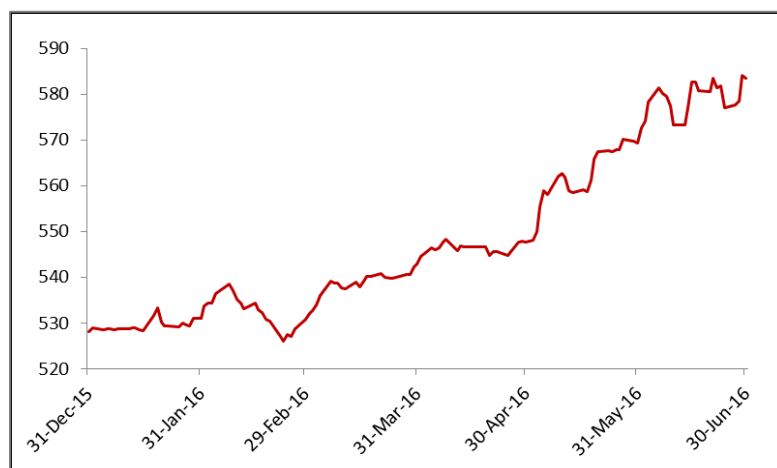
The Fund was launched on July 7, 2015.

Fund Information

Description	Information
Fund Name	Capital Growth Takaful Fund
Fund Size	PKR 71.9 Million
Launch date	07.07.2015
Bid Price (07.07.2015)	PKR 500.00
Bid Price (30.06.2016)	PKR 583.53
Category	Shariah Compliant Equity Fund
Pricing Mechanism	forward on daily basis
Management fee	1.50% p.a.
Pricing days	Monday to Friday
Auditors	KPMG
Appointed Actuary	Nauman Cheema, Nauman Associates, Lahore

Fund Returns

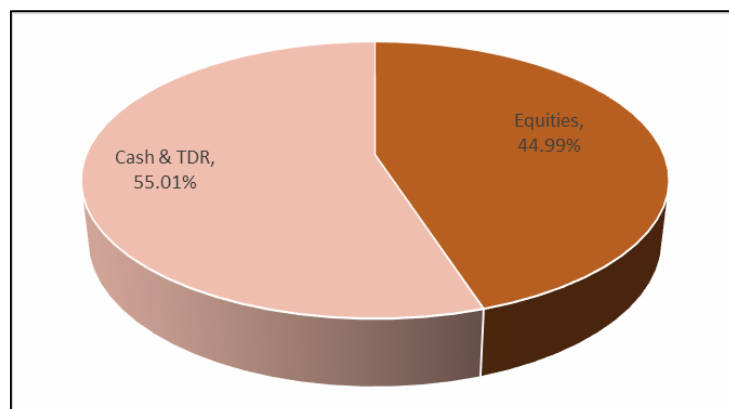
During the month of June 2016, Capital Growth Takaful Funds' (CGTF) Unit Price increased by PKR 14.12 (2.48%) net of fund management fee.



Investment Committee Members	
Ayaz Ahmed	Chairman
Javed Ahmed	Member / CEO
Rafiuddin Zakir Mahmood	Member
John Joseph Metcalf	Member
Lilly R. Dossabhoy	Member
Shan Rabbani	Member

Assets	June 2016	May 2016
Government Securities	0.00%	0.00%
Cash & Short Term Deposits	55.01%	64.51%
Stocks	44.99%	35.49%

Fund Returns	
Period	Rate of Return
1 month	2.48%
3 months	7.48%
12 months	N/A
Calendar YTD	10.48%
Since Inception	16.71%



EQUITY PORTFOLIO DETAILS

MANAGED GROWTH TAKAFUL FUND

Sector Allocations	Percentage
Pharma	6.0
General Industries	5.3
Chemicals	4.4
Cement	1.5
Oil & Gas	1.4

Top Ten Holdings
CPPL
EFERT
FEROZ
FFC
HASCOL
HINOON
LUCK
MTL
SEARL
THALL

CAPITAL GROWTH TAKAFUL FUND

Sector Allocations	Percentage
Pharma	13.4
General Industries	11.2
Chemicals	9.4
Oil & Gas	3.4
Cement	3.3

Top Ten Holdings
CPPL
EFERT
FEROZ
FFC
HASCOL
HINOON
LUCK
MTL
SEARL
THALL